THE NEW INDIAN EXPRESS

BENGALURU • SATURDAY • SEPTEMBER 23, 2023 • ₹9.00 • PAGES 22 • LATE CITY EDITION

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Janet Yellen and He Lifeng

US, China unveil financial working groups

The US Treasury Department and China's Ministry of Finance launched a pair of economic working groups on Friday in an effort to ease tensions and deepen ties between the nations. Led by Treasury Secretary Janet Yellen and Vice Premier He Lifeng, the working groups will be divided into economic and financial segments. The working groups will 'establish a durable channel of communication between the world's two largest economies', Yellen said in a series of tweets.

JP Morgan adds Indian bonds to its global index

Analysts estimate passive fund inflows to the tune of $25 billion; rupee to gain value

DIPAK MONDAL @ New Delhi

IN a significant move that will set the stage for billions of dollars of foreign fund flows to India, global financial firm JP Morgan has decided to include Indian government bonds into its widely tracked emerging market debt index.

"India's weight is expected to reach the maximum weight threshold of 10% in the GBI-EM Global Diversified, and 8.7% in the GBI-EM Global index," JPMorgan said in a statement. Indian bonds' inclusion will be staggered over a 10-month period from June 24, 2024 to March 31, 2025, indicating 1% increment on its index weight. This will lead to passive inflows of around $25 billion.

Government Bond Index-Emerging Markets (GBI-EM) Global Diversified accounts for $213 billion of the estimated $236-billion benchmarked to the GBI-EM family of indices.

According to the index inclusion criteria, eligible instruments are required to have notional outstanding above $1 billion and at least 2.5 years remaining maturity. Currently, 23 Indian government bonds with a combined notional value of $330 billion are eligible to be part of the index.

"JP Morgan has made this decision on its own. It attests to the confidence that financial market participants and financial markets, in general, have on India's potential and growth prospects and its macroeconomic and fiscal policies," said India's chief economic advisor V Anantha Nageswaran.

Analysts see this as a positive move for the Indian economy as it ensures stable fund inflows, stronger rupee, and lower bond yields. According to SBI Mutual Fund's chief economist Namrata Mittal, the move creates an additional source to fund the current account and fiscal deficit. She, however, cautions that once the initial adjustment is done, there may be a relatively higher volatility in the Indian bond market.

Debopam Chaudhuri, chief economist of Piramal Group sees the move in terms of freeing up of funds for private borrowers. "With additional foreign funds available through funds tracking the Bond Indexes, government borrowing may not crowd out private corporate borrowers as much as in the past," he said.

Chief Minister Siddaramaiah at a meeting in Bengaluru on Friday | EXPRESS

DKS: WILL CHART PLAN AFTER SEPTEMBER 26

The government will decide on its strategy on the Cauvery crisis after September 26, when its case will come up for hearing in court, said Deputy Chief Minister DK Shivakumar after a cabinet meeting here on Friday | P4

Amid stir, K'taka releases water from KRS to TN

KARTHIK KK @ Mysuru

KARNATAKA on Friday evening released 5,734 cusecs of Cauvery water to Tamil Nadu from Krishna Raja Sagar (KRS) reservoir even as Kannada and farmers' organisations intensified their protests in Mandya district.

Though irrigation officials are tight-lipped over the release of water, sources privy to the information confirmed that over 5,000 cusecs of water was released in compliance with the direction of the Cauvery Water Management Authority (CWMA) and the Supreme Court.

The release of water has not been made official. But the sources said over 5,734 cusecs of water was released on Friday evening. Of which, 2,503 cusecs was released into VC Canal, 400 cusecs into D Devaraj Urs Canal, 2,673 cusecs into the river flowing towards Tamil Nadu and the rest into other canals.

An executive engineer of KRS told *The New Indian Express* on condition of anonymity that they had not received any direction from the State Government to release water to Tamil Nadu. P4

EXPRESS READ

Union Sports Minister cancels visit to China

NEW DELHI: Union Sports Minister Anurag Thakur cancelled his visit to China over Beijing's denial of accreditation to three sportspersons from Arunachal Pradesh for the Asian Games. P9

Sub-registrars' offices to remain open 8 am-8 pm

BENGALURU: The Revenue Department has decided to keep all sub-registrars' offices across the state open between 8 am and 8 pm from September 23 to September 30. P5

Freed after 4 years, Mirwaiz makes Kashmir dialogue pitch

FAYAZ WANI @ Srinagar

RELEASED from house arrest after over four years, Hurriyat Conference chairman Mirwaiz Umar Farooq on Friday said people like him were peace promoters, not separatists or disrupters. He pitched for dialogue to resolve the Kashmir issue at the prayers at Kashmir's grand mosque, Jamia Masjid. The Mirwaiz criticised the reading down of Article 370 saying it was an assault on Kashmiri identity, adding harsh and unilateral decisions of disempowerment were taken by the administration.

CONTINUED ON: P10

It's official: JDS joins hands with NDA ahead of 2024 Lok Sabha polls

RAJESH KUMAR THAKUR @ New Delhi

PUTTING an end to speculation, the Janata Dal (Secular) on Friday said it will ally with the BJP-led National Democratic Alliance (NDA) ahead of the 2024 Lok Sabha elections.

The decision was announced after JDS leader H D Kumaraswamy met BJP national president J P Nadda and Union Home Minister Amit Shah at Nadda's residence.

The JDS joining its camp will give the BJP a boost in Karnataka as it prepares for the general elections, months after losing the state Assembly elections to the Congress.

HD Kumaraswamy with Union Home Minister Amit Shah in New Delhi | PTI

"I am happy that JD(S) has decided to be the part of National Democratic Alliance. We wholeheartedly welcome them in the NDA. This will further strengthen NDA and vision of Hon'ble Prime Minister Narendra Modi Ji for 'New India, Strong India'," Nadda wrote on X.

Welcoming the JDS to the NDA, Shah posted: "Their association will lead Karnataka on the path of development and pave the way for a stronger NDA and a stronger India."

BJP sources said talks with JDS leaders have been going on for the last six months. Party leaders believe an alliance with the JDS will ensure its domination in Karnataka in the Lok Sabha elections as the regional party enjoys a strong political grip in the state's southern parts.

The JDS is the third biggest political party in Karnataka after the Congress and the BJP. P4

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